



Georgia Board for Physician Workforce Spotlight on Critical Issues June 2005

Many challenges must be overcome to achieve an optimal supply, specialty mix, and distribution of physicians. In Georgia, these challenges take a variety of forms. The state's population is growing rapidly at a time when physician supply is stagnant. The number of physicians trained by Georgia's medical education system and the financial supports for this system have not increased to meet the growing demand for doctors. Additionally, marketplace forces such as regulatory guidelines and reimbursement rates are influencing where doctors practice, as well as the composition of their patient base.

This fact sheet highlights five critical issues and potential responses. Issues include:

- < Rising medical education debt;
- < Ability of the medical education system to respond to trends in the physician workforce;
- < Disparities in physician specialty mix and distribution across rural and urban areas;
- < Diversity of the physician workforce and the value of cultural competency; and,
- < Changes in Medicare and Medicaid acceptance rates among physicians.

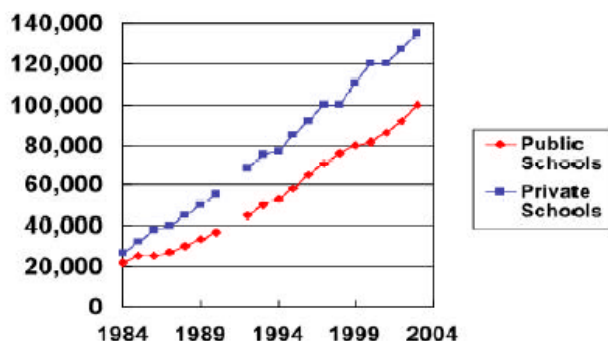
Rising Medical Education Debt

The cost to obtain a medical education continues to rise at a higher rate than inflation. As seen in the table below, three of Georgia's four medical schools had double-digit increases in tuition in just one year, compared to an inflation rate that has fluctuated between 2.25% and 3.5% for the same period.

Medical School	Total Enrollment 2004-2005	Tuition and Fees For Academic Year 2004-2005	Percentage Increase in Tuition Over Previous Year
Medical College of Georgia (MCG)	721	\$12,922 (resident) \$33,126 (non-resident)	25% (resident) 8% (non-resident)
Emory Univ. School of Medicine	454	\$36,637	11%
Mercer Univ. School of Medicine	234	\$27,876	6%
Morehouse School of Medicine	192	\$28,389	12%

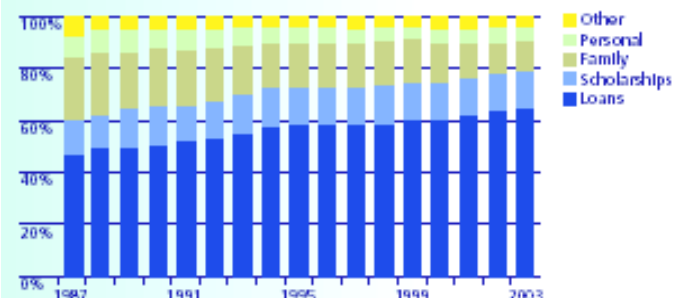
An annual survey conducted by the Georgia Board for Physician Workforce showed a 7% increase from 2003 to 2004 in the percentage of residency program graduates with educational debt totaling \$80,000 or more. This issue is not unique to Georgia. The Association of American Medical Colleges (AAMC) recently issued a report entitled: "Medical School Tuition and Young Physician Indebtedness." The AAMC study found the median debt level of medical school graduates has increased dramatically over the last 20 years (\$100,000 for public medical school graduates and \$135,000 for private medical school graduates).

Median Educational Debt of Indebted Graduates



Source: AAMC Graduation Questionnaire

How Students Pay for Medical Education

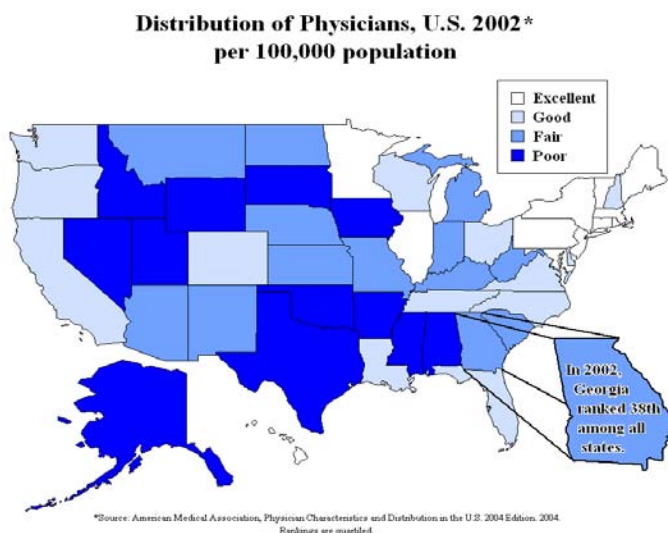


Source: AAMC Matriculating Student Questionnaire

As seen in the chart on the previous page, medical students rely heavily on educational loans and help from their families to pay for medical school and related expenses. Mounting medical education debt places a significant financial burden on students and their families. This growing burden may discourage students from pursuing a career in medicine and increase the challenges associated with improving the size and diversity of the physician workforce.

Ability of the Medical Education System to Respond to Trends in the Physician Workforce

- Georgia ranks 9th in population, but 38th in physician supply (down from 35th two years ago). The U.S. Census Bureau currently ranks Georgia as the 6th fastest growing state.
- The rate at which new, practicing physicians are added to Georgia's workforce has declined 55% over the last 10 years (from a high of 1,682 in 1992-1994 to a low of 748 for 2000-2002).
- Increasing demand for physician services, a stagnant physician supply, and changes in practice patterns are among the indicators of a developing physician shortage in Georgia.



- The output of Georgia's medical education system has not kept pace with the demand for physicians.
 - Georgia ranks 34th among the 46 states that have a medical school in the number of medical students per 100,000 population. Georgia's medical student to population ratio of 18 per 100,000 is approximately one-third below the national average of 28 per 100,000.
 - Georgia ranks 34th among the 50 states that have residency programs in the number of resident physicians per 100,000 population. Georgia's resident physician to population ratio of 22 per 100,000 is significantly below the national average of 35.9 per 100,000.

Disparities in Specialty Mix and Distribution of Physicians: Rural Versus Urban Practice

Georgia has experienced considerable growth in most primary care specialties over the last decade; however, challenges with the geographic distribution of physicians persist. Physician distribution remains more favorable in urban than rural parts of the state. This issue is of critical importance to Georgians, since the distribution of physicians helps determine access to healthcare.

- The rate of physicians in five core specialties varies significantly between Metropolitan Statistical Areas (MSA's) and Non-MSA's.
- For example, the rate of Pediatricians per 100,000 population is more than 8.7 times greater in Georgia's MSA's than Non-MSA's.

Georgia Physician Workforce 2002 Selected Specialties by MSA/ Non-MSA Designation				
Specialty	MSA		Non-MSA	
	Number	Rate*	Number	Rate*
Family Practice	1,650	19.3	521	6.1
Internal Medicine	2,167	25.3	342	4.0
Pediatrics	1,348	15.7	147	1.8
OB/GYN	973	11.4	165	1.9
General Surgery	615	7.2	111	1.3

Diversity of the Physician Workforce and the Value of Cultural Competency

- Georgia has achieved some success in diversifying its physician workforce. The percentage of African-American physicians rose from 6.5% to nearly 12%, and the proportion of those reporting to be “other” ethnicities increased more than four-fold since 1992. However, Census figures indicate additional effort is needed to make Georgia’s physician workforce more reflective of the population. For example, nearly 30% of Georgians are African-American, compared with only 12% of the physician workforce.

Percentage of Physicians by Race

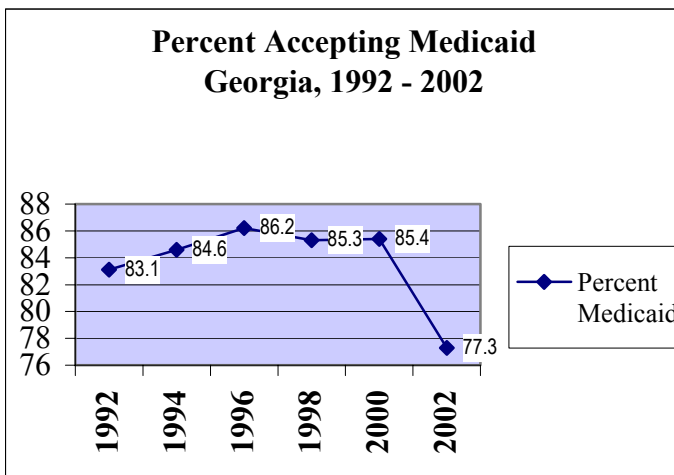
Year	% White	% African American	% Asian	% Other
1992	86.5	6.5	6.3	0.7
1994	84.9	7.6	6.6	0.9
1996	84.1	8.1	6.9	0.9
1998	80.2	8.9	7.8	3.1
2000	79.0	10.3	8.1	2.6
2002	77.4	11.9	7.7	3.0

- Cultural competency refers to the ability of providers to effectively deliver healthcare services that meet the social, cultural, and linguistic needs of patients.¹ With increased diversity, there is a greater need for physicians to be able to transcend cultural and language barriers and work effectively with patients in order to diagnose medical conditions and deliver appropriate healthcare.

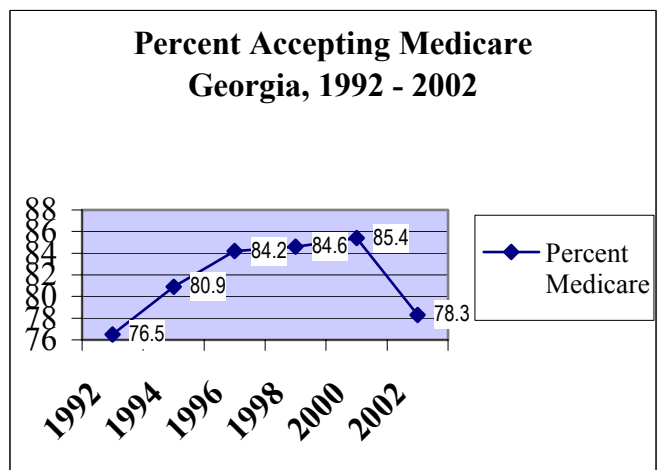
Changes in Medicare and Medicaid Acceptance Rates

Public payer insurance systems, such as Medicaid and Medicare, play an important role in the medical marketplace. These two public programs cover a large percentage of Georgians. Data reported through the physician license renewal process indicates an increasing number of physicians are limiting the number of Medicaid and Medicare patients in their practice. The charts below show the decline in acceptance of Medicaid and Medicare patients. After peaking in 1996, physicians now report the lowest percentage to be accepting Medicaid in a decade. Medicare is also approaching the lows seen in the early 1990’s. Access to care and cost of care will be greatly affected.

**Percent Accepting Medicaid
Georgia, 1992 - 2002**



**Percent Accepting Medicare
Georgia, 1992 - 2002**



¹ Betancourt, J.R., Green, A. R. et Carrillo, J.E., 2002. *Cultural competence in health care: Emerging frameworks and practical approaches*. New York: The Commonwealth Fund.

Potential Responses

1. Expand financial aid programs for medical students. Focus on need-based, service cancelable loans and scholarships to help reduce the medical education debt burden.
2. Restore funding for medical education. Since FY 2001, funds provided to the GBPW to support medical education have been markedly reduced as the costs of medical education have risen. This has made it increasingly difficult for medical schools and teaching hospitals to continue training needed physicians.
3. Continue to expand support for programs that encourage rural practice and assist physicians in finding job opportunities in communities throughout Georgia.
4. Maintain an emphasis on promoting diversity and enhancing cultural competency in the physician workforce. Collaborate with other entities to identify resources and expedite progress in this area.
5. Limit cuts and, when possible, restore reimbursement rates for physician services through public payer insurance systems.

For more information, please contact the Georgia Board for Physician Workforce at (404) 206-5420 or 1718 Peachtree St, NW, Suite 683, Atlanta, Georgia 30309.